UNITED NATIONS

General Assembly

FIFTY-SECOND SESSION

Official Records

SECOND COMMITTEE
2nd meeting
held on
Friday, 19 September 1997
at 4 p.m.
New York

SUMMARY RECORD OF THE 2nd MEETING

Chairman: Mr. DE ROJAS (Venezuela)

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ELECTION OF OFFICERS

ORGANIZATION OF WORK

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Distr. GENERAL
A/C.2/52/SR.2
25 September 1997

ORIGINAL: ENGLISH

97-81874 (E)

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The meeting was called to order at 4.15 p.m.

ELECTION OF OFFICERS

1. The CHAIRMAN informed the Committee that the Group of Western European and Other States had nominated Mr. Glanzer (Austria) for one of the posts of Vice-Chairman, and that the Group of Asian States had nominated Mr. Rae Kwon Chung (Republic of Korea) for the post of Rapporteur.

2. Mr. Glanzer (Austria) and Mr. Rae Kwon Chung (Republic of Korea) were elected Vice-Chairman and Rapporteur, respectively, by acclamation.

3. Mr. KAMANDO (United Republic of Tanzania) said that the Group of African States had been consulting on the nomination of a candidate for the post of Rapporteur. Since that post had been allocated to the Group of Asian States, the Group of African States, which played a vital role in the Group of 77, would nominate a candidate for the second post of Vice-Chairman.

ORGANIZATION OF WORK (A/52/250, A/C.2/52/L.1 and Add.1)

4. The CHAIRMAN said that meetings would begin promptly at 10 a.m. and 3 p.m. If a speaker was absent, that delegation would automatically be placed last on the list of speakers for that meeting.

5. Based on previous experience, it was proposed that the time limits for all speakers should be 15 minutes in the general debate and 7 minutes on individual agenda items. Those time limits would also apply to speakers from the agencies, funds and programmes. Introductory statements by members of the Secretariat, agencies, funds and programmes would be limited to 10 minutes. Introductory statements should focus on highlights and priorities and, if possible, be distributed in advance.

6. The Committee's agenda was based on the clusters of items laid down in resolution 50/227 and the time-frame laid down in resolution 48/162. The programme of work took into account the availability of reports and, to the extent possible, the ability of high-level representatives of the Secretariat, agencies, funds and programmes to be present at meetings.

7. The Bureau would consider proposals for themes and focus for discussion under the clusters of items, in accordance with resolution 50/227. Members of the Committee were invited to convey their suggestions to the Bureau. The selection of a theme would not preclude the delivery of statements on other specific issues under the cluster.

8. In accordance with resolution 50/227, the Bureau would meet with the Bureau of the Third Committee in order to review the respective programmes of work, identify potential areas of overlap and make recommendations to the Committee.

9. As requested in resolution 50/227, draft resolutions would be shorter. Procedural issues would be dealt with in decisions rather than resolutions. The Bureau would explore the possibility of dealing with clusters of related items

in omnibus or combined resolutions. Also in accordance with resolution 50/227, at the end of the session, the Committee would review its draft programme for the following year with a view to rationalizing and simplifying reporting procedures. Deadlines for the submission of draft proposals would be strictly applied.

10. Following the successful practice of the previous year, there would be a number of executive briefings by senior officials, panel discussions on topics on the Committee's agenda and keynote addresses. All suggestions from Committee members were welcome.

11. If he heard no objection, he would take it that the arrangements he had outlined were acceptable to the Committee.

12. It was so decided.

13. The CHAIRMAN drew the Committee's attention to document A/C.2/51/L.1, and to the action taken by the General Assembly based on the recommendations contained in the first report of the General Committee (A/52/250) relating to the organization of the work of the General Assembly and its Main Committees.

14. Mr. BUNCH (Chief of the Documentation Programming and Monitoring Unit) drew attention to the document on the status of preparation of documentation (A/C.2/52/L.1/Add.1), and provided updated information on the projected date of issue of a number of documents.

15. Ms. KELLEY (Secretary of the Committee) announced the following changes in the draft proposed programme of work. Agenda item 95 (a) on Financing of development, including net transfer of resources between developing and developed countries, would be considered on 16 October and on the morning of 17 October. The following footnote would be added to that item: "In its resolution 50/227, the General Assembly decided that the question of the conference on the financing of development would be considered under this item at the fifty-second session of the General Assembly".

16. Item 95 (d) on external debt crisis and development would also be considered on 16 October and the morning of 17 October. Item 95 (c) on science and technology for development would be considered during the afternoon of 17 October. Items scheduled for consideration during the following week would be taken up one day later than originally planned. Thus, item 99 on operational activities for development would be considered on 20 October. At the request of the Alliance of Small Island States, consideration of agenda item 98 on environment and sustainable development and its sub-items 98 (b), (c), (d), (e) and, in particular, (f), "Implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States", would be deferred to 11 November, as the scheduled date of 21 October coincided with an important meeting of interest to the small island developing States. The entire day of 21 October and the afternoon of 22 October would be devoted to informal consultations. Agenda item 96 on sectoral policy questions and its sub-items would be discussed on 24 October, with the exception of item 96 (c) on food and sustainable agricultural development, which would be considered on the afternoon of 30 October so that the Director-General of the Food and Agriculture

Organization of the United Nations (FAO) could be present to report on the outcome of the World Food Summit. Item 95 (b) on trade and development would be rescheduled to 10 November, when documentation would be available, and in order to enable the Committee to consider the outcome of a high-level meeting on the least developed countries, to be held in Geneva.

17. Mr. PEDROSO CUESTA (Cuba), referring to document A/C.2/52/L.1, requested the Chairman to circulate the letter referred to in paragraph 1. Regarding paragraph 5, he said that to his knowledge, the General Assembly had not taken any formal decision concerning the opening of meetings. He expressed concern that curtailed servicing of informal consultations or working groups (para. 6) might be detrimental to the work of the Group of 77. Finally, he expressed surprise that the note by the Secretary-General on the report of the Joint Inspection Unit entitled "United Nations Conference on Trade and Development: Review of institutional and programme issues" (A/51/152 and Add.1) was not included in the documentation to be considered under item 95 (b) on trade and development, since consideration of that report had already been postponed at the fifty-first session.

18. The CHAIRMAN said that the Committee secretariat would make every effort to ensure that the necessary conference services would be available for informal consultations. The letter from the President of the General Assembly would be circulated to members as soon as possible. In the meantime, the items proposed for allocation to the Second Committee could be found in the first report of the General Committee (A/52/250).

19. Ms. KELLEY (Secretary of the Committee), referring to the statement by the representative of Cuba, said that the General Committee had indeed recommended the waiver of a requirement of the presence of at least one quarter of the members to declare a meeting open, and the General Assembly had endorsed that recommendation. She would look into the matter of the report of the Joint Inspection Unit and report to the Committee.

20. Mr. GRAFF (Luxembourg) said that although postponing consideration of items 98 (b), (c), (d), (e) and (f) until the end of the session would leave time for informal consultations, the Committee might not have any draft resolution ready for discussion at that early stage of its deliberations. It would also separate the cluster of sub-items on environment and sustainable development.

21. Ms. KELLEY (Secretary of the Committee) said that the time could be used for panel discussions or preliminary work on draft resolutions. Sub-items (a) and (g) had been separated from the rest of the cluster in response to comments from delegations at the previous session that the cluster contained too many topics to be covered in one statement.

22. Mr. A'ALA (Syrian Arab Republic) said that the Arabic text of A/C.2/52/L.1, paragraph 5, was misleading and should be corrected. His delegation was concerned about the availability of interpretation services for informal consultations.

23. The CHAIRMAN agreed that interpretation was essential to the success of informal consultations. However, services originally allocated to plenary meetings could be used for consultations instead.

24. Mr. WINNICK (United States of America) said that, since some of the more weighty matters on the Committee's agenda had been moved to the end of its programme of work, members would need to ensure that discussion of earlier items were completed promptly, in order to keep on schedule.

25. Mr. DELANEY (Papua New Guinea) agreed that it might be preferable to consider the entire cluster on environment and sustainable development together. His delegation would also welcome information about the content of the omnibus resolutions as early as possible.

26. The CHAIRMAN said that the Bureau was ready to receive suggestions from members regarding their content.

27. The draft proposed programme of work contained in A/C.2/52/L.1, as orally revised, was adopted.

The meeting rose at 5.10 p.m.

UNITED NATIONS

General Assembly

FIFTY-SECOND SESSION

Official Records

SECOND COMMITTEE
3rd meeting
held on
Monday, 13 October 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. de ROJAS (Venezuela)

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ELECTION OF A VICE-CHAIRMAN

ORGANIZATION OF WORK

GENERAL DEBATE

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Distr. GENERAL
A/C.2/52/SR.3
20 October 1997

ORIGINAL: ENGLISH

97-82005 (E)

The meeting was called to order at 10.15 a.m.

ELECTION OF A VICE-CHAIRMAN

1. The CHAIRMAN informed the Committee that the Group of African States had endorsed the candidature of Mr. Abdellatif (Egypt) for the office of Vice-Chairman.

2. Mr. Abdellatif (Egypt) was elected Vice-Chairman by acclamation.

ORGANIZATION OF WORK (A/C.2/52/1 and A/C.2/52/L.1/Rev.1)

3. The CHAIRMAN, after drawing attention to a proposed change in the programme of work, said that he took it that the Committee wished to adopt the draft proposed programme of work of the Second Committee as contained in document A/C.2/52/L.1/Rev.1, as orally revised.

4. It was so decided.

5. The CHAIRMAN said that, as a result of informal consultations, a number of themes had been suggested for focusing the discussion on a number of agenda items. The suggestion of those themes did not preclude in any way the right of delegations to make a statement on any other topic that they considered to be relevant. The themes for agenda item 95 (macroeconomic policy questions) were: (1) improving market access for developing countries, in particular the least developed countries; (2) financial flows in emerging markets; and (3) convening of an international conference on the financing of development. The themes for agenda item 96 (sectoral policy questions) were: (1) development of small- and medium-sized enterprises and cooperatives and their role in sustainable development; (2) implementation of the outcome of the World Food Summit on food self-sufficiency and food security; and (3) industrial development cooperation in the context of global economy. The theme for agenda item 97 (sustainable development and international economic cooperation) was special session of the General Assembly to review the questions of the International Conference on Population and Development. The themes for agenda item 98 (environment and sustainable development) were: (1) drought and desertification; (2) development and transfer of environmentally sound technology and finance; (3) natural disaster reduction; and (4) relationship of the General Assembly with the conventions on the environment. Finally, the themes for agenda item 99 (operational activities for development) were: (1) financing of operational activities for development and (2) effectiveness of development assistance, including its impact on national capacity-building.

GENERAL DEBATE

6. The CHAIRMAN said that, at its current session, the Committee shou'd make the most of its very interesting agenda and come up with agreements and recommendations that would benefit all Member States. The question of development financing, as well as other important macroeconomic issues, such as trade and technology, must continue to be major items on the agendas of the General Assembly, the Economic and Social Council and the United Nations

Conference on Trade and Development (UNCTAD). The United Nations was the only forum where macroeconomic issues could be dealt with in a comprehensive and coordinated manner and be given political and moral content. International cooperation could not be based on the concept of mutual advantage and common interest; there must also be an element of a call for justice, the duty of those who had more towards those who had less.

7. It was important to take into account the importance of a number of resolutions and decisions - including the one concerning the Agenda for Development - adopted by the General Assembly and the Economic and Social Council on the need for greater cooperation between the United Nations and the international financial and trade institutions, particularly the Bretton Woods institutions. Member States must insist that the political dialogue on major international economic questions take place in the United Nations, with the participation of international financial institutions. One way of institutionalizing and consolidating such a dialogue would be to strengthen the high-level segment of the Economic and Social Council and link some of its meetings with those of the intergovernmental mechanisms of the World Bank and the International Monetary Fund (IMF). The Council had a major role to play in the renewal and institutionalization of the dialogue and the implementation of the Agenda for Development, since it had been specifically established by the Charter to coordinate policies and actions, including those of the specialized agencies, in the economic and social sphere.

8. The Second Committee would also be considering the United Nations Decade for the Eradication of Poverty. All activities in the area of international economic cooperation and development must be linked in one way or another to efforts to eradicate poverty and improve the living standards of the world's population. The public sector would have to continue to play a vital role in such efforts. Under the item on environment and sustainable development, the Committee would consider the implementation of the decisions of the United Nations Conference on Environment and Development and the outcome of the nineteenth special session of the General Assembly. The Committee's consideration of progress in implementing conventions on desertification and drought, climate change and biological diversity would help renew the North-South dialogue, since environmental issues underscored the interdependence and fragility of the world community.

9. Mr. DESAI (Under-Secretary-General for Economic and Social Affairs) said that the prospects for the world economy provided grounds for cautious optimism as well as for deep concern. While 21 African countries were expected to register a growth rate of 5 per cent or more, the medium-term prospects for Africa were restrained: aid flows were stagnating, flows of foreign direct investment were low and the heavy debt burden was a source of serious concern. Growth in Asian developing countries was expected to continue at a somewhat slower pace owing to the adjustments necessitated by the recent financial turmoil. In Latin America, it was expected that growth would accelerate and stability would increase. The economic performance of the economies in transition varied significantly. While some Eastern European countries had experienced growth and succeeded in reducing inflation, others were still at an early stage of stabilization and structural reform and were receiving relatively little foreign direct investment.

10. Although the overall debt situation of net-debtor developing countries as a group had continued to improve in 1996, a significant number of developing countries, mostly low-income African countries, continued to suffer from a heavy debt burden. The new debt initiative for a group of heavily indebted poor countries responded to the need for a comprehensive framework based on equitable burden-sharing among all creditors in order to bring the debt of such countries to a sustainable level. In the past year, a number of countries had, or were expected to, become eligible for assistance under the initiative. However, the complete success of the initiative depended on the contribution of additional resources - including interim financing - from all creditors involved, as well as enhanced flexibility in the application of the eligibility criteria and the timely access to debt relief of a large number of countries.

11. In 1996, overall net financial transfers to developing countries had totalled $87 billion. Net transfers through all official flows had slowly declined while private financial transfers had continued to increase with most of such transfers going to Asia and Latin America. The exclusion of most low-income developing countries from access to significant amounts of international private finance left them dependent on increasingly limited official finance. In contrast to private financial flows, official development assistance (ODA) had been declining in real terms. For the least developed countries, which remained heavily dependent on ODA for external financing, the problem was acute, since flows from countries members of the Development Assistance Committee (DAC) had declined markedly in real terms in the first half of the 1990s. With the end of the cold war, some donor countries had been reassessing large commitments of ODA. In addition, considerable ODA funds had been diverted from regular development programmes to meet increased financing needs for emergencies and humanitarian assistance.

12. The increased access of developing countries to international financing for investment had left individual countries vulnerable to sudden reversals of financial flows and spillover effects on countries in similar circumstances. There was growing agreement that sound domestic macroeconomic policies and an adequately supervised and regulated financial sector were essential for creating an environment conducive to attracting more stable and long-term international capital flows and reducing the chances of abrupt reversals of flows. International policies and regulatory measures could also play an important part.

13. The global agenda for development that had emerged from recent United Nations conferences had focused on a wide range of concerns. Globalization and integration of financial markets, together with outward-oriented policies in developing countries, had generated significantly increased financial flows to certain parts of the developing world. However, the nature and composition of such flows did not seem to match the priorities identified in the global agenda. It was unfortunate that, at a time when agreement had been reached on a programmatic basis for development cooperation that could enhance the effectiveness of assistance, ODA flows were declining. The Second Committee's discussions on the financing of development would therefore be of crucial importance in providing a sense of direction and enhanced commitment.

14. With the growing integration of the world economy, interaction between macroeconomic, trade, finance and development policies had intensified. Moreover, the opportunities and risks associated with globalization were unevenly distributed among countries and various segments of the population within countries. A more equitable distribution of benefits and mitigation of risks required careful management of public policies and better coordination of national and global policies dealing with markets. In the current economic environment, the question of policy coherence was critical for all participants in the global economy, especially the developing countries. There was a need for a mechanism that enhanced the impact and influence of the Organization's broad-based policy development processes on the functioning of other decision-making forums. That was the context in which the Second Committee should consider the issue of relations between the United Nations and the Bretton Woods institutions and the role of the Economic and Social Council in providing a forum for a high-level dialogue and a measure of coordination.

15. The concept of sustainable development was perhaps the most important contribution that the United Nations had made to the global consensus on development. The nineteenth special session of the General Assembly had demonstrated the international community's strong political interest in and commitment to the goals of achieving sustainable development worldwide. The new programme of work of the Commission on Sustainable Development provided for a policy discussion, exchanges of experience and the elaboration of common approaches within specific economic sectors closely tied to environmental and natural resource issues.

16. One important outcome of the special session had been the decision to establish the Intergovernmental Forum on Forests. At the Forum's recent first meeting, Governments had reconfirmed their political will to advance action and global consensus in that area. The outcome of the special session, together with the work to be accomplished by the Commission on Sustainable Development over the next few years could also lead to strengthened cooperation between Governments in areas such as the sustainable use of freshwater, and energy management.

17. The forthcoming session of the Conference of the Parties to the United Nations Framework Convention on Climate Change would be a crucial test of the resolve of Governments to reconcile the interests of the rich and powerful with the concerns of the poor and weak. The developed countries, which had the highest rates of per capita greenhouse gas emissions and the economic and technological capacity to address the problem, were expected to agree on legally binding targets for a significant reduction in such emissions within specific time-frames.

18. The 1995 World Summit Social Development had shifted the direction of the struggle against poverty, exclusion and unemployment from an approach based on safety nets to one that emphasized structural factors and the importance of empowerment. Eradicating absolute poverty, providing work for all those who wanted it, and ensuring the inclusion of all persons, without discrimination, in the social and political processes were tasks that had to be completed at the national level. Providing a supportive economic and political environment and supporting national efforts through advocacy and the provision of assistance was

a task for global policy, and it was important to have a clear idea of what the various parts of the United Nations system could do most effectively. The decision to launch a Decade for the Eradication of Poverty provided the international community with an opportunity to develop a coherent partnership between the many global organizations dealing with development issues.

19. As far as the reform process was concerned, the processes of consolidation and coordination among the various entities of the Secretariat in the economic and social area had already begun. The Secretary-General's aim in creating the new Department of Economic and Social Affairs was to establish a Department that was sensitive to the needs of Member States, capable of mobilizing capacities flexibly around issues while being able to provide multi-faceted and multidisciplinary analysis to the relevant intergovernmental machinery and, lastly, creating a milieu that was responsive to the needs of civil society.

20. Mr. MWAKAWAGO (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that although the world economy had continued to grow, the gap between the rich and the poor was growing among and within nations and capital flows to developing countries continued to be unpredictable. Those uneven and adverse trends required renewed partnership and the fulfilment of international cooperation commitments to enable developing countries to effectively benefit from the twin processes of globalization and liberalization. In that regard, the conclusion of the negotiations on the Agenda for Development was a very important and positive development in the evolution of international development cooperation since the Agenda. It provided the guidelines for evolving the most desirable and effective global partnership in development cooperation. However, in order for the Agenda to be meaningful and credible, for Member States must commit themselves to fully and effectively implementing it in the most expeditious manner.

21. The review and appraisal of the implementation of the decisions, recommendations and commitments of the United Nations Conference on Environment and Development had showed that little progress had been made in achieving the main goals set at the Earth Summit, primarily due to the failure by the developed countries to fulfil their obligations with regard to the provision of new and additional financial resources and transfer of technology. The Group of 77 and China welcomed the Secretary-General's two-track initiative to strengthen and revitalize the Organization's functioning and operations and noted that the reform of the United Nations was a process that had been under consideration in various contexts for some time.

22. Stressing the need to honour commitments, he said that the performance of developed countries in channelling financial resources to developing countries was extremely disquieting. The share of total official development assistance in the gross national product of the DAC countries had dropped sharply from 0.33 per cent in 1992 to 0.25 per cent in 1996; the overall target set in 1970 had been 0.7 per cent. The share of aid to the least developed countries had dropped from 0.09 per cent in 1990 to 0.06 per cent in 1995 as compared to the agreed target of 0.15 to 0.2 per cent by the year 2000. Those declining trends in ODA flows must be reversed.

23. The development efforts of developing countries were severely hampered by the obligation to set aside a substantial portion of their national budgets to service the external debt. In that regard, the failure of the various debt-relief measures to alleviate such debt burden called for an effective, equitable, development-oriented and durable solution to the external debt and debt-servicing problems of those countries.

24. There was a need for long-term financial and technical support, including transfer of technology from developed to developing countries, as well as for the improvement in trade relations between developed and developing countries. It was also necessary to ensure the full and effective participation of developing countries in the international economic decision-making processes. Only through an equitable, secure, non-discriminatory and predictable multilateral trading system could trade and development be enhanced in developing countries. The trade policy reforms being undertaken by developing countries were likely to be frustrated unless developed countries took positive structural adjustment measures that could provide developing countries with greater export opportunities. In that connection, developed countries ought to implement commitments undertaken in respect of trade liberalization in the areas of export interest to developing countries such as textiles and agriculture. The role of the United Nations Conference on Trade and Development in supporting developing countries in the context of the ongoing and future trade and development negotiations was crucial and must be enhanced. In addition, the universality of the World Trade Organization needed to be ensured.

25. The comprehensive implementation of Agenda 21 was urgently needed. Political will, particularly on the part of developed countries, was indispensable for effective implementation of their commitments under Agenda 21 in the area of financial resources. Global Environment Facility (GEF) resources needed to be increased, and the disbursement of GEF resources should be more flexible in order to enable more countries to benefit from the Facility.

26. The Group of 77 and China were greatly concerned about the persistent critical economic situation in Africa, where countries were facing problems of declining ODA flows, deteriorating prices of primary commodities, insufficient foreign investment flows and an unbearable external debt burden. Special attention and support should be accorded to the problems of land-locked developing countries and to small-island developing States.

27. The Group of 77 and China were committed to economic and technical cooperation among developing countries as an integral and essential part of their efforts to promote economic growth, technological capacities and accelerated development.

28. Mr. GRAFF (Luxembourg), speaking on behalf of the European Union as well as Bulgaria, Cyprus, the Czech Republic, Latvia, Lithuania, Poland, Romania and Slovakia, and also Norway, said that the Secretary-General's proposals on United Nations reform represented a balanced whole which took into account the various interests at stake. The European Union welcomed the positive spirit in which all the delegations had undertaken to examine the proposals. However, the aim of the reform was not to reduce costs but to transform the Organization into a far more effective instrument at the service of all the peoples of the world.

29. Although the various regions of the world had enjoyed sustained economic growth, the benefits of such growth had been unevenly spread, with the least developed countries, particularly in Africa, continuing to suffer from problems of marginalization and vulnerability. In that regard, the world community must take steps to ensure that all countries and social strata enjoyed the benefits of globalization. The European Union therefore awaited with interest the Secretary-General's report on the organization of a high-level debate on the economic and social impact of globalization and interdependence. That debate would supplement the Economic and Social Council's recent discussion on the question of fostering an enabling environment for development.

30. Since over one-fifth of the world's population - the great majority of whom were women - had to survive on less than $1 a day, the fight against poverty must remain the supreme objective of all the Committee's discussions. The proclamation of the United Nations Decade for the Eradication of Poverty was a reminder that the matter must be tackled urgently.

31. The United Nations had a unique role to play in international cooperation in the economic and social sectors, helping to foster people-centred sustainable development, as expressed at various conferences. The review of the follow-up to the outcome of the World Food Summit or the coming discussions on the mid-term review of the United Nations Conference on Population and Development must confirm the approach of a coherent follow-up to all the major international conferences. The importance of such follow-up must also be recognized within the United Nations system. At a time of limited resources, funds and programmes should focus their activities on the objectives defined in the framework of the common strategy for implementing the results of major conferences coordinated by the Economic and Social Council.

32. The European Union welcomed the progress made in implementing the conventions on desertification, climate change and biodiversity and noted the new elements arising from the mechanisms of those conventions. As in the past, it would continue to play an active role in future conferences of the parties to those conventions. In that regard, it would work to ensure the adoption, by the upcoming meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Kyoto, of substantial limits on greenhouse gas emissions. Recent events had underscored the importance of initiating discussions on early-warning systems, as proposed by the European Union, in order to prevent ecological disasters.

33. Important though it was, development assistance was no substitute for the mobilization of national resources and of foreign investment. Official development assistance remained a major source of external finance for the developing countries, especially the countries of Africa and the least developed countries, and the European Union would do its utmost to honour its commitment to achieve the agreed target of allocating 0.7 per cent of its gross national product to official development assistance as soon as possible. In that connection, the current downturn in the percentage of GNP allocated to official development assistance was a continuing cause for concern. The European Union was prepared to intensify its efforts to reverse that trend in view of the need to reinforce the quality and value of such assistance. All countries should attack the cause of that downturn in a spirit of global cooperation. Moreover,

strategies should be formulated to increase the aid given by donors to the assistance programmes to reinvigorate the commitments they had made at the United Nations Conference on Environment and Development.

34. A new partnership should be based on the recognition of the fact that development financing was a joint responsibility and should be reflected in a fairer and more widespread apportionment of the burden. The quality and impact of assistance would need to be improved by eliminating, in particular, the duplication of efforts.

35. Continued consideration must be given to the issue of the debt of the poorest and most heavily indebted countries so that solutions might be found. The Heavily Indebted Poor Countries Debt Initiative was a step in the right direction.

36. With respect to the organization of the Committee's work, it was important for the Committee to be attuned to the latest economic, social and environmental trends, and to take them fully into account in its discussions. The European Union welcomed the efforts made since the adoption of General Assembly resolution 50/227 to enable the Second Committee to fully carry out its duties and it hoped that the current Bureau would continue in that vein. The European Union supported the drive to organize round tables and briefing meetings on a variety of major burning international issues, with the participation of distinguished guests. Such meetings gave delegations a greater insight into the issues discussed. The practice initiated by the outgoing Bureau of asking members of the Secretariat present to respond directly to the points raised by delegations had made for more interactive discussions and should continue.

37. The clustering of related subjects under a single agenda item, with key themes identified from each group of questions as the focus for substantive discussion, enabled the Committee to take a more integrated approach to the question of sustainable development. The aim in the medium term should be the integrated review of similar items on the agendas of the Second and Third Committees. The European Union supported the idea of informal consultations for the identification of possible subjects for Second Committee resolutions.

38. Mr. MARRERO (United States of America) said that the unwritten theme of the fifty-second session of the General Assembly was reform, an area where the Second Committee had gained considerable experience through the negotiation and implementation of General Assembly resolution 50/227. The work of the Committee had a separate unifying theme. That theme was sustainable development with its three interdependent and mutually reinforcing components of economic development, social development and environmental protection. Good governance - government that was representative, transparent, accountable, just and properly restrained - was a prerequisite for sustainable development.

39. The role of government in providing an enabling environment for development deserved continued attention. While development aid played an important catalytic role, it was the private sector which had been and which continued to be the engine of growth, and in order for the private sector to take root and flourish, good governance must be promoted. The 1997 World Development Report and World Bank studies had established a clear connection between good

governance and effective economic performance of States. The first example of global action in the area of good governance was the landmark Declaration Against Corruption and Bribery in International Commercial Transactions, adopted at the fifty-first session.

40. The United States pointed with pride to its efforts to liberalize trade and investment regimes at the bilateral, regional and international levels in order to develop a strong and stable international financial system and encourage market-oriented policies in developing and transitional economies. It had also launched a major initiative on African development. Globalization had its costs, but they could be mitigated through sound economic, social and financial policies. Developing countries, including even the poorest countries, were increasingly benefiting from global integration. Because sound policy might not be enough, however, to allow the poorest of the poor to reap the benefits of economic integration, the Heavily Indebted Poor Countries (HIPC) debt initiative recognized that those countries still needed an extra helping hand.

41. Although the private sector was the main driver of globalization, it was incumbent on Governments to ensure that the benefits of globalization were distributed in a socially equitable way. The United States believed that the time had come for a core set of labour standards for the globalized economy. More must be done to protect workers' basic rights concerning, for example, the right to freedom of association and collective bargaining, prohibition of forced labour and exploitative child labour, and the principle of non-discrimination in employment. In that area, the Committee's work was inextricably linked with that of the Third Committee, and, as called for in resolution 50/227, mechanisms for addressing those linkages must be found.

42. Sustainable development required partnership between the public and private sectors, and the United Nations could play a critical role in ensuring such complementary efforts. The recent special session of the General Assembly was a good example of how the Organization could bring together the public and private sectors in addressing global concerns. He called for a spirit of partnership to demonstrate that a reforming United Nations could make a real difference in addressing the issues fundamental to providing a higher quality of life for all people.

43. Mr. ABDULLAH (Bangladesh) noted that while the rate of growth in the developing countries as a group had been higher in the past year than it had for many years, the gap between rich and poor countries continued to widen. Similarly, although there had been a tremendous increase in world trade over the past few years due to trade liberalization, the least developed countries remained marginalized from world trade due to lack of market access and supply side constraints. Indeed, their share was half what it had been 20 years earlier.

44. It was a matter of great concern that the aid budgets of most traditional donors had continued to shrink despite those countries' increased ability to extend assistance. Most of the low-income developing countries had undertaken sweeping structural and economic reforms, and in many, democracy had firmly taken root and the quality of governance had significantly improved, thereby boosting the capacity to utilize aid. It was unfortunate that aid flows had

dwindled just when they could have the biggest impact. In many of those countries, external resources were required in order to create conditions that would attract foreign direct investment.

45. The steps taken by Paris Club creditors to reduce the debt burden of the least developed countries through the HIPC initiative had not yet yielded any visible signs of relief. His delegation called for flexibility in implementing the performance period in order to allow a larger number of countries to receive early relief.

46. In conclusion, he noted that the potential of regional cooperation and South-South cooperation in particular was greater than ever before, because of the diversity of development experiences in that region, and must be fully explored.

47. Mr. WILMOT (Ghana) said that the recent strengthening of economic growth in many African countries was expected to continue, although the African region would continue to face policy challenges in its efforts to enhance resource mobilization and allocation, strengthen savings and investment and reduce its marginalization in the world economy. The international economic and trading system, while promoting development in the stronger economies, was not geared towards strengthening the weakest economies. The much-acclaimed processes of globalization and liberalization had had a negative impact on poor countries. For example, the recent ruling by the World Trade Organization against the banana import regime, which gave preferential access to Caribbean bananas under the Lomé Convention, on the grounds that it violated global free-trade rules, put at risk the agro-economic, social and political structures of the countries in questions. Such situations would not have been permitted in the developed world, where farmers were protected under various agricultural support schemes. Protectionist measures were also being disguised by linking trade with environment and labour laws. The competitive edge of the poorest countries in terms of cheap labour was being subverted by moralistic approaches to labour conditions. Throughout history, in subsistence economies, young boys and girls had worked to help support their families. The poor developing countries must participate actively in the decision-making process shaping the international economic environment. The principles of democracy and grassroots participation which were being hailed as the recipe for socio-economic development at the national level should also apply at the international level.

48. Ghana urged the developed countries to reverse the downward trend in official development assistance flows, increase support to aid programmes, and fulfil commitments made at international conferences to provide financial resources for development. For many countries, official development assistance could not be replaced by private capital flows.

49. His Government welcomed the Heavily Indebted Poor Countries Debt Initiative, but believed that further steps should be taken to broaden the number of eligible countries and reduce the time-frame for eligibility. It also endorsed the call for a special international conference to seek solutions to the problems of development financing, including foreign direct investment and transfer of resources between developed and developing countries in general. Africa, the continent in most need of financial resources for development, had

often been a net exporter of capital to developed countries. Special efforts were needed to assist African countries to strengthen their domestic environment for investment and provide incentives for investment, with the aim of addressing that imbalance and lack of development resources.

50. The Secretary-General's reform proposals recognized the promotion of international cooperation for economic and social development as being among the primary purposes of the United Nations. His delegation agreed with the need to return development to the top of the Organization's agenda, for it believed that the imbalances in the global economy and the inequitable distribution of wealth were at the root of many conflicts around the world. Thus, the United Nations must be strengthened to address more seriously all the issues which impeded development. The solution to those problems required a strong political commitment to implement the measures recommended at the major international conferences of the nineties.

51. Mr. ANOJABA (Namibia) said that the operational activities of the United Nations were a vital complement to the development efforts of developing countries. Therefore, the reform process should not impair the funds and programmes but rather make them more relevant to the needs of developing countries. Reforms should take into account the very diverse economies of developing countries and their lack of resources. Declining financial commitments to the United Nations development system should be considered during the triennial policy review to be conducted by the General Assembly at its the fifty-third session.

52. Developing countries must cope with the pitfalls of globalization and liberalization while the developing countries as a whole had received a positive net transfer of resources, these had been concentrated in only a few regions. Many developing countries continued to channel a good portion of their export earnings into the repayment of debt. Thus policies designed to promote Africa's economic prosperity must be bolstered by external assistance and a favourable external environment. The Second Committee's debate on that topic should be based on the agreed conclusions of the high-level segment of the Economic and Social Council.

53. Namibia was implementing a dual strategy to address the problems of unemployment and poverty: investment in education training and other social services and the creation of a favourable economic environment for the private sector. Convinced that the State had a key role to play in a market economy, his delegation looked forward to the Committee's discussion of public policy in a globalizing economy.

54. "Poverty, environment and development" and "poverty, human rights and development" were appropriate themes to launch the United Nations Decade for the Eradication of Poverty. The reform process must not obscure the highest priority of the United Nations - eradicating poverty and building the capacities of developing countries, especially those in Africa and the least developed countries. In that context, his delegation welcomed the adoption of the Agenda for Development, which did not address new issues but rather shed new light on old issues in an integrated manner. Mobilization of resources for the implementation of its recommendations was of paramount importance. Further to

the measures adopted by the Economic and Social Council during its substantive session, additional efforts must be made to enhance the role of women in development and, in particular, to reduce the feminization of poverty by affording women equal access to economic and other resources. Cultural and legal constraints impeding their equal involvement in development must be removed.

55. Most of the people in southern Africa continued to live in poverty amidst abundant natural resources. The Southern African Development Community (SADC) had embarked on a common strategy to promote trade and investment in the region. The admission of the Democratic Republic of the Congo and the Republic of Seychelles would further strengthen the capacity of SADC and enhance its potential and his delegation looked forward to discussion of that sub-item.

56. Namibia's national programme to combat desertification was based on the partnership of government ministries, non-governmental organizations, community organizations and development partners. Its Desert Research Institute in the Namib Desert had recently been selected by SADC as a focal institute for the subregion to promote research, training and institution building. His delegation welcomed the conclusion of the first session of the Conference of the Parties to the Convention to Combat Desertification and called on the international community to mobilize adequate resources to help affected countries, particularly in Africa, to implement the Convention.

57. Support must also be given to the efforts of the African countries to achieve the objectives of the Second Industrial Development Decade for Africa. The United Nations Industrial Development Organization (UNIDO) and the Economic Commission for Africa had a key role to play in implementing Decade programmes. Referring to the high mortality rate of women and children as a result of reproductive health-related diseases, he expressed his delegation's support for a special session of the General Assembly for the mid-term review of the implementation of the Cairo Programme of Action.

58. Mr. AMMARIN (Jordan) said that, despite the increase in global growth rates, highlighted in the World Economic and Social Survey of 1996, recent acceleration of growth had actually been much slower than that of the 1980s. While some developing and developed countries had witnessed economic improvements and even an acceleration of growth, they were still faced with the problems of unemployment, and a stagnation in real wages and government spending on various social programmes. Overall, the global economic condition was not keeping pace with a rapidly changing international context. The commitments undertaken at the major international conferences of the 1990s - the United Nations Conference on Environment and Development, the World Summit for Social Development, the Fourth World Conference on Women and the International Conference on Population and Development - had yet to be fulfilled.

59. Noting that the debt crisis and the flow of financial resources continued to be major impediments to the effect to enhance international cooperation for economic growth, he urged the international community to adopt action-oriented, innovative plans to deal with the major issues facing humanity.

60. With limited resources, Jordan had taken steps to deal with the rapidly changing international environment. Although it was heavily indebted, it had fulfilled its commitments to the World Bank and the International Monetary Fund (IMF) through the adoption of a harsh structural adjustment programme and economic reform policies, at great social cost. It had accelerated the process of privatization within the context of the free market economy; it had developed over the decades; signed a peace treaty with Israel; signed and ratified major international treaties; and designed a model of democracy. Nonetheless, growth and development were progressing slowly.

61. In conclusion, global partnership must address the debt crises of the developing countries, the financing of development, international trade, the follow-up of the major conferences and summits, the critical economic situation in Africa and the situation in the Middle East, particularly the economic condition of the Palestinian people.

62. Mr. AUNG (Myanmar) said that his delegation supported the statements delivered by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China and by various members of the Association of South-East Asian Nations (ASEAN). This delegation attached great importance to strengthening the role of the United Nations in promoting international cooperation for economic and social development. By virtue of its universality, the United Nations was the most qualified body to carry out development work.

63. Reform of the Organization should focus on meeting the challenges of the twenty-first century; it should not be the result of pressure. All reform proposals should be carefully balanced and directed more towards development. They should emphasize transparency, pluralism and democracy, particularly in the decision-making processes of the central organs, agencies and sub-organs of the Organization.

64. Although steps had been taken to implement the debt strategy outlined in General Assembly resolution 51/164, the situation in many indebted countries remained critical. Timely action to follow up the major United Nations conferences and summits related to the question of external debt was crucial. Noting that the result of the nineteenth special session of the General Assembly had been disappointing, he stressed that Member States must continue to work together, in a spirit of global partnership, to achieve sustainable development for present and future generations.

65. While they agreed with the principles and programmes of action which had emerged from the major international conferences of the 1990s, many developing countries were unable to implement them in practice for lack of sufficient resources. Moreover, for political reasons outside the scope of those conferences, commitments to assist the developing countries financially had not been honoured. His delegation appealed for an end to such political conditionalities.

66. Mr. LAVROV (Russian Federation) said that economic growth indicators in a number of countries of Eastern Europe and the Commonwealth of Independent States were positive, reflecting the overall trend of the world economy. His delegation attached importance to the involvement of the United Nations in

information technology, including the Internet, the globalization of scientific research and technological development, which strongly influenced world economic growth and its regulation and management.

67. His delegation agreed that national efforts to increase economic and social capacity must be complemented by support from the international community, including the United Nations. An international environment that supported free access to markets, financial resources and modern technology; the alleviation of poverty; the protection of the environment; the implementation of economic reform; and the increased competitiveness of national enterprises was an essential premise for the integration of those countries in the world economy.

68. The Russian Federation had felt the need for such international support when it had first begun to transform its economy. The radical changes necessary to establish a market economy had a serious impact on its social sector and the living standards of the Russian people. In addition, it had to deal with a huge decline in its gross domestic product and four-digit inflation, and had had to revamp its economic and legal systems. Now, six years later, the Russian Federation was beginning to achieve macroeconomic stability. Its gross domestic product was holding steady, its industrial output had increased and its trade balance was favourable. Inflation had slowed and its national currency was stronger. The share of the private sector in overall production was currently 75 per cent, which made the Russian economy more attractive to foreign investors: the influx of investments had more than tripled since the previous year. Its current macroeconomic situation had allowed the Russian Federation to formulate a "growth budget" for the year 1998. Nonetheless, it still faced major challenges, such as stagnation in domestic investment and reform of the tax system.

69. A top priority for the Russian Federation was its integration in the world economy, which meant equitable participation in the multilateral trading system and the international financial and economic organizations. In that connection, it had joined the World Trade Organization; its membership in the Organization for Economic Cooperation and Development had entered a practical stage; and its full-scale participation in the G-8 framework of industrially developed countries was being considered. It attached special importance to its participation in the work of the Paris Club, which it had recently joined, and to the agreement it had just concluded with the London Club of creditor banks. His Government, which was extremely interested in the question of external debt, would participate in the financing of the Heavily Indebted Poor Countries Debt Initiative.

70. His delegation endorsed in principle the approach of the Secretary-General to reform. Member States should reach a consensus on the key recommendations of the Secretary-General in that regard. He noted, however, that General Assembly resolution 50/227, which defined practical guidelines for the restructuring of the United Nations in the economic, social and related fields, had yet to be fully implemented. It would be equally important to ensure the implementation of the recommendations contained in the Agenda for Development. His delegation welcomed the recent establishment of the Intergovernmental Forum on Forests which would contribute to consensus-building on the legal framework and instruments for ensuring an international regime of responsible forest use and

sustainable forest management. It was to be hoped that the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Kyoto in December, would reach a consensus with regard to the stabilization and reduction of greenhouse gas emissions. In that connection, he stressed the importance of the principles of universality and the common but differentiated responsibilities of the Parties. Lastly, his delegation supported efforts to rationalize the agenda of the Second Committee and reduce the number of draft resolutions it adopted.

71. Mr. ABDELLATIF (Egypt) said that the current trend towards globalization and economic liberalization had both positive and negative aspects. As had been noted, it was in everyone's interest that the benefits of economic growth should be spread as widely as possible. The danger was that individuals and groups could be marginalized within societies, and that whole countries, notably developing ones, could be marginalized at the world level. Of course, globalization and liberalization tended to be particularly beneficial for the industrialized countries; the rhetoric about the blessings of globalization tended to become muted once those countries' interests were threatened. Free trade in textiles and agricultural products, for example, had been blocked for the benefit of Northern producers.

72. To place all States on an equal footing in the name of free-market theory would further deepen the already yawning gap between North and South. Efforts to that end should be seen for what they were, namely an attempt to preserve the status quo. A recent article on the dangers of what was termed "social Darwinism", i.e. the notion that only the fittest should survive, was equally relevant to the world's current economic situation.

73. He noted that a recently published book asked the question whether globalization had gone too far, arguing that the main challenge facing the world of the twenty-first century would be how to strike a new balance between market forces and the welfare of society. The author called for a large dose of pragmatism. The same reasoning could be applied at the international level. The principle of cooperation must complement the principle of competition.

74. His delegation was in favour of a high-level dialogue on strengthening international economic cooperation for development through partnership, as contemplated in resolution 51/174 of the General Assembly, and looked forward to the Secretary-General's report on the implementation of that resolution.

The meeting rose at 1.05 p.m.